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## State Water Resources Control Board

October 20, 2020

Mr. Mark J. Sedlacek  
Director of Environmental Affairs  
Los Angeles Department of Water and Power  
Post Office Box 51111  
Los Angeles, CA 90051-5700

Dear Mr. Sedlacek:

**RE: INVOICE FOR THE 2018-2019 INTERIM MITIGATION PERIOD FOR HAYNES GENERATING STATION - ONCE-THROUGH COOLING POLICY**

This letter serves as an invoice for Haynes Generating Station's interim mitigation payment for the operating period of October 1, 2018, through September 30, 2019 (2018-2019 interim mitigation period). The final determination calculating the interim mitigation payment is included as Attachment A.

The State Water Resources Control Board's (State Water Board) Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling or OTC Policy) requires owners or operators of existing power plants to implement measures to mitigate interim impingement and entrainment impacts resulting from their cooling water intake structures. The interim mitigation period commenced on October 1, 2015, and continues up to and until owners or operators achieve final compliance with the OTC Policy. Section 2.C(3) of the OTC Policy provides options for demonstrating compliance with the interim mitigation requirements.

As stated in the 2015-2016 Final Determination for Haynes Generating Station<sup>1</sup>, Los Angeles Department of Water and Power (LADWP) elected to comply with the interim mitigation requirements in Section 2.C(3)(b) of the OTC Policy. Under this option, LADWP demonstrates compliance with interim mitigation by providing funding to the Ocean Protection Council (OPC) or State Coastal Conservancy (Conservancy) to fund appropriate mitigation projects.

On April 14, 2020, the State Water Board received a letter from LADWP requesting that future interim mitigation funds required by the OTC Policy from Haynes Generating Station be dedicated to restoration efforts for local wetlands, such as the Los Cerritos Wetlands complex. Staff from the State Water Board, OPC, and Conservancy agree to

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

allocate to restoration projects in the greater Los Angeles area \$6 million of the interim mitigation funds that OPC is projected to receive from Haynes Generating Station starting with the October 1, 2018 to September 30, 2019 operating year and continuing until the facility comes into compliance with the OTC Policy. This \$6 million is approximately 70 percent of the funds OPC is projected to receive from Haynes Generating Station in this timeframe. While the agencies have not yet decided which restoration project(s) will receive these funds, the agencies will continue to confer as projects move through the planning stages to ensure that the funds will be used for restoration projects in the Los Angeles area. The remaining 30 percent will be used to support other critical priorities for the Marine Protected Areas Management Program, which will benefit the Los Angeles area and other regions affected by once-through cooling.

The State Water Board calculated the interim mitigation payment for the 2018-2019 interim mitigation period for Haynes Generating Station using information provided by LADWP in its February 7, 2020 information response letter. The annual interim mitigation payment is the sum of three components: an entrainment payment, an impingement payment, and a management and monitoring payment. The interim mitigation payment for Haynes Generating Station for the operating period of October 1, 2018, through September 30, 2019, is \$881,551.96.

LADWP has 60 days from receipt of this letter to make this payment to the Natural Resources Agency's Ocean Protection Council. When submitting this payment, include a cover letter that identifies the National Pollution Discharge Elimination System number for Haynes Generating Station and copy Karen Mogus, Deputy Director of the Division of Water Quality at the State Water Board. Please make the check payable to the Natural Resources Agency and send to:

California Natural Resources Agency  
Attn: Jenn Eckerle  
1416 9<sup>th</sup> Street, Suite 1311  
Sacramento, CA 95814  
Reference Account: Ocean Protection Trust Fund

If you have questions regarding this invoice letter, please contact Julie Johnson at (916) 341-5687 ([Julie.Johnson@waterboards.ca.gov](mailto:Julie.Johnson@waterboards.ca.gov)), or Katherine Walsh at (916) 445-2317 ([Katherine.Walsh@waterboards.ca.gov](mailto:Katherine.Walsh@waterboards.ca.gov)).

Sincerely,



Eileen Sobeck  
Executive Director

Enclosure:

Attachment A - Final Determination for Haynes Generating Station

cc: Mr. Mark Gold  
Executive Director  
Ocean Protection Council  
1416 9<sup>th</sup> Street, Suite 1311  
Sacramento, CA 95814

Ms. Jenn Eckerle  
Deputy Director  
Ocean Protection Council  
1416 9<sup>th</sup> Street, Suite 1311  
Sacramento, CA 95814

cc via email:

Ms. Katherine Rubin, [Katherine.Rubin@ladwp.com](mailto:Katherine.Rubin@ladwp.com)  
Ms. Karen Mogus, [Karen.Mogus@waterboards.ca.gov](mailto:Karen.Mogus@waterboards.ca.gov)  
Ms. Katherine Walsh, [Katherine.Walsh@waterboards.ca.gov](mailto:Katherine.Walsh@waterboards.ca.gov)  
Ms. Julie Johnson, [Julie.Johnson@waterboards.ca.gov](mailto:Julie.Johnson@waterboards.ca.gov)  
Ms. Hope A. Smythe, [Hope.Smythe@waterboards.ca.gov](mailto:Hope.Smythe@waterboards.ca.gov)

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<sup>1</sup> [2015-2016 Final Determination for Haynes Generating Station](https://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/docs/haynes_2015-2016_Final_Determination_for_Haynes_Generating_Station.pdf).

<[https://www.waterboards.ca.gov/water\\_issues/programs/ocean/cwa316/docs/haynes\\_2015-2016mitigation\\_letter.pdf](https://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/docs/haynes_2015-2016mitigation_letter.pdf)>

**Attachment A – Final Determination for Haynes Generating Station**

**FINAL DETERMINATION TO APPROVE MITIGATION MEASURES  
FOR THE WATER QUALITY CONTROL POLICY ON THE USE OF  
COASTAL AND ESTUARINE WATERS FOR POWER PLANT COOLING:**

**HAYNES GENERATING STATION  
OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

Interim Mitigation Requirements and Determinations

The State Water Resources Control Board's (State Water Board) Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (also known as the Once-Through Cooling or OTC Policy) requires owners or operators of existing power plants to implement measures to mitigate interim impingement and entrainment impacts resulting from their cooling water intake structures. The interim mitigation period commenced on October 1, 2015, and continues up to and until owners or operators achieve final compliance with the OTC Policy.

The State Water Board approved Haynes Generating Station's continued request to comply with the interim mitigation measures described in Section 2.C(3)(b) and Section 2.C(3)(e) of the OTC Policy in the Final Determination for the October 1, 2017 to September 30, 2018 interim mitigation period (2017-2018 Final Determination). Consistent with Resolution No. 2015-0057<sup>1</sup> and the recommendations in the Expert Review Panel's Final Report<sup>2</sup>, the interim mitigation payment is comprised of an entrainment payment, an impingement payment, and a management and monitoring payment.

In the sections below, the State Water Board calculated Haynes Generating Station's interim mitigation payment for October 1, 2018, through September 30, 2019 (also known as the 2018-2019 determination period). This calculation is consistent with the methods and calculations applied in the 2017-2018 Final Determination.

Interim Mitigation Payment Calculation for Haynes Generation Station

*Entrainment Payment Calculation*

To calculate the portion of the interim mitigation payment to offset entrainment impacts, the State Water Board used the default average cost of entrainment determined in the Expert Review Panel's Final Report. Consistent with Resolution No. 2015-0057 and the Expert Review Panel's Final Report, the State Water Board used a three percent escalator to update the average cost of entrainment from the 2017-2018 Final Determination to 2019 dollars to account for inflation. The resulting average default entrainment cost for October 1, 2018, through September 30, 2019, increased from \$5.02 per million gallons (MG) to \$5.17/MG:

$$(\$5.02/\text{MG} \times 0.03) + \$5.02/\text{MG} = \$5.17/\text{MG}$$

In its February 7, 2020 letter, Los Angeles Department of Water and Power (LADWP) provided the intake volume for Haynes Generating Station for the 2018-2019 determination period of 142,094 MG. The State Water Board verified the intake volume with the data submitted in the National Pollution Discharge Elimination System permit monitoring reports for Harbor Generating Station.

To calculate the entrainment payment, the State Water Board multiplied the intake volume by the updated average default cost of entrainment:

$$\$5.17/\text{MG} \times 142,094 \text{ MG} = \$734,625.98$$

#### *Impingement Payment Calculation*

In its February 7, 2020 letter, LADWP provided the total fish impingement biomass for Haynes Generating Station for the 2018-2019 determination period of 0.818 pounds. The State Water Board calculated the impingement payment using the estimated total pounds of fish impinged multiplied by the average indirect economic value of the fisheries as determined in the Expert Review Panel's Final Report of \$0.80 per pound:

$$\$0.80/\text{pound} \times 0.818 \text{ pounds} = \$0.65$$

#### *Management and Monitoring Payment Calculation*

The State Water Board calculated the management and monitoring payment by taking twenty percent of the sum of the entrainment and impingement payments:

$$0.20 \times (\$734,625.98 + \$0.65) = \$146,925.33$$

#### State Water Board's Final Determination for Haynes Generating Station

Based on the sum of the entrainment, impingement, and management and monitoring payment calculations, the total payment to fulfill the interim mitigation obligation for LADWP's Haynes Generating Station for the interim mitigation period of October 1, 2018, to September 30, 2019, is \$881,551.96.

$$\$734,625.98 + \$0.65 + \$146,925.33 = \$881,551.96$$

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<sup>1</sup> [State Water Board Resolution No. 2015-0057](https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2015/rs2015_0057.pdf).

<[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/resolutions/2015/rs2015\\_0057.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2015/rs2015_0057.pdf)>

<sup>2</sup> [Final Report from the Expert Review Panel](https://www.waterboards.ca.gov/water_issues/programs/ocean/desalination/docs/erp_intake052512.pdf).

<[https://www.waterboards.ca.gov/water\\_issues/programs/ocean/desalination/docs/erp\\_intake052512.pdf](https://www.waterboards.ca.gov/water_issues/programs/ocean/desalination/docs/erp_intake052512.pdf)>